

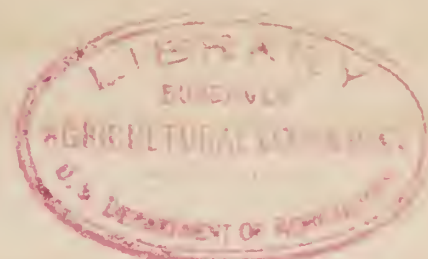
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A Summary of  
AGRICULTURAL PROGRESS  
1933-1940



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With An Accounting of Federal Aids to Agriculture

Farmers had nearly twice as much cash income in 1939 as in 1932. Cash income rose from \$4,682,000,000 to \$8,518,000,000. Of the 1939 income \$807,000,000 was in Government payments to farmers. The increased income after 1932 was shared by producers of all commodities. The most recent figures available for individual commodities are for 1938.

Cash income of the Nation's wheat producers at the end of 1938 had increased 98 percent, rising from \$200,000,000 in 1932 to \$396,000,000 in 1938, exclusive of Government payments. An estimated \$50,000,000 in cash payments was made to wheat producers in 1938.

Cotton producers' cash returns from seed and lint increased 40 percent, rising from \$461,000,000 in 1932 to \$647,000,000 in 1938. Cotton producers received an additional \$127,000,000 in cotton-price adjustment payments in 1938 and cash payments amounting to approximately \$140,000,000.

Tobacco growers' cash returns during the 1932-38 period more than doubled, raising from \$115,000,000 to \$294,000,000.

Dairy farmers' income in 1938 was 41 percent greater than in 1932, having risen from \$391,000,000 to \$1,398,000,000.

Cash income from meat animals rose 88 percent from \$1,158,000,000 to \$2,180,000,000.

The income of sugar beet and sugar cane producers in the continental United States increased more than 32 percent. It rose from an annual

average of \$68,364,000 in the period 1929-33 before the sugar programs went into effect, to an annual average of \$90,411,000, including Government payments, in the period 1934-38 during which sugar quota legislation was in effect.

#### Farm Purchasing Power Increasing

Farm prices as a whole increased 46 percent during the 6-year period 1932-38, rising from 65 percent of the pre-war level to 95 percent. At the low point in February and March 1933 farm prices were only 55 percent of the pre-war level. In the 1932-33 period the unit exchange value of farm products increased from an average of 61 percent of the pre-war level in 1932 to 78 percent of that level in 1938. At the low point in February 1933 the unit exchange value of farm products was only about 50 percent of what it had been before the War. From 1932 to 1939 both farm income and prices paid by farmers increased but farm income made a more rapid advance so that in 1939 farmers were able to buy about 99 percent as much of the things they needed as in 1929.

By 1938 the renewed earning power of farms, as measured by increased agricultural income, was reflected in a substantial increase in farm real estate values. The total estimated value of all farm land and buildings had climbed to about \$35,722,000,000 from the 1933 low of \$30,724,000,000. At the low point in 1933 the value of farm real estate was 73 percent of the pre-war average. From this low the estimated value per acre rose to 80 percent of the pre-war average. Since 1933 the number of forced farm sales has declined approximately 69 percent. It is estimated that the Nation's total farm mortgage debt has been reduced by more than \$2,000,000,000 from the early 1930 level. Since 1933 the number of farm bankruptcies has declined an estimated 70 percent.



## CONSERVATION ACCOMPLISHMENT

In the AAA program, which assists farmers to make a more extensive use of soil conserving crops and practices, about 80 percent of the farm land and 70 percent of the privately-owned range land was included in 1939 participation. Under this program new seedings of soil conserving and soil building crops totaled 55-1/2 million acres. Erosion control practices, including contour farming, contour listing, and controlled fallow, were employed on 14-3/4 million acres. Terraces constructed totaled 292 million feet, and more than 16 million feet of contour ridges were constructed on pasture land.

A total of 48-1/4 million acres of farm land in 82,000 farms were covered by 5-year agreements with the Soil Conservation Service up to June 30, 1938. These agreements provided for complete programs of erosion control and good-land management.

Soil Conservation Service demonstration areas now include 68-3/4 million acres. There are 217 soil conservation districts organized under State laws, covering an area of 120 million acres. The Soil Conservation Service cooperates with the districts by providing technical service. Within the 217 organized districts there are more than a million farms. Another 100 districts are in the process of organization.

### Range Land Improved

Range livestock producers have carried out an extensive program of range conservation in cooperation with three agencies of the Department of Agriculture.

Practices that protect, restore, and improve range land have been employed on approximately 190 million acres under the 1938 AAA program. Nearly 25,000 ponds and reservoirs were constructed under this program to control flood water and to store water for livestock.

Under the supervision of the Forest Service grazing on more than 80 million acres of national forest land is regulated with the assistance of range committees made up of livestock producers. National forest grazing in 1939 provided for 1-1/4 million cattle and horses and 5-1/2 million sheep and goats.

The Soil Conservation Service has constructed more than 4,000 ponds, largely on range land.

#### Forest Conservation and Reforestation

Since March 1933, about 12,000,000 acres have been purchased or approved for purchase for national forests. This is about 2-1/2 times as much land as was purchased for national forests in the preceding 22 years. Approximately 125,000,000 trees produced largely in Forest Service nurseries were planted during 1939 on 131,000 acres of national forest land. Under the supervision of the Forest Service in the Prairie States Forestry Project 127,000,000 trees have been used in 11,000 miles of plantings.

These plantings provide protection for about 3,000,000 acres of land in the Great Plains. In the farm forestry program of the Soil Conservation Service about 314,000 trees were planted on farm lands in 1938. A total of 55,000,000 trees were distributed for farm plantings from Federal-State Co-operative Nurseries. Under the AAA program of 1938 more than 55,000 acres of farm land were planted to forest trees.

#### The CCC In Agricultural Conservation

The Civilian Conservation Corps has made an outstanding contribution to the conservation of agricultural resources. In their work with the Department of Agriculture, the CCC projects have mostly been under the supervision of the Forest Service and the Soil Conservation Service.

Protection of Federal, State, and private forests from fire has



occupied a total of 4-3/4 million man-days of actual fire fighting during the time the Corps has been in existence.

Since 1933, the Corps has planted 1-2/3 billion trees. They have also collected forest tree needs and built 22 new forest nurseries, providing nearly 4 million man-days of work on tree nurseries. Forest improvement work including removal of dead, crooked and otherwise undesirable trees to make room for better trees has covered a total of nearly 3-1/2 million acres.

In soil conservation projects, CCC camps have completed work on 1-1/4 million acres of farm land under 5-year agreements for complete plans of erosion control and farm management. Future work of the CCC in soil conservation is expected to be largely in Soil Conservation Districts organized by groups of farmers and covering large areas of land needing treatment.

#### ASSISTANCE WITH PROBLEMS OF RURAL POVERTY

##### AND TENANCY

In addition to the efforts toward greater equality of income for agriculture as a whole and for effective conservation of natural resources, special attention has been given to the problems of rural poverty and tenancy.

Since 1935, the Farm Security Administration has assisted more than 600,000 farm families who were on relief or near relief status. Rural rehabilitation loans and assistance with farm and home management plans have enabled these families to again become selfsupporting. A survey covering 233,000 of these borrowers showed that they had increased their net worth over and above all debts by more than 37 percent, and had tripled their production of food for home consumption. Up to December 1, 1939, a total of \$360,825,429 had been advanced for these loans and nearly \$107,000,000 had

been repaid. During 1938, the average borrower reported increasing his net worth by more than \$140.

At the end of September 1939 low-cost medical plans were available to 65,085 families in 26 States. By December 31, 1939 approximately 231,626 farmers had received the benefit of community service loans enabling them to share the cost of more expensive farming equipment which individually they could not afford. For this purpose, the Farm Security Administration assisted in the formation of 11,675 small cooperatives.

By January 1, 1940 camps established for migratory workers accommodated, 2,520 families and additional units to accommodate 3,261 families were under construction.

Under the Bankhead-Jones Act, loans for farm purchases were made to 6,180 farm tenant families up to July 1, 1939. Farm tenant loans in the present fiscal year which ends June 30, 1940 will be made to about 7,000 tenant families.

#### ASSISTANCE IN NATURAL CALAMITIES

In 1934 when drought blighted the West and the Middle West, and heavy livestock losses were threatened because of lack of food and water, Congress appropriated special funds for an emergency livestock purchase program.

More than 8 million head of drought-stricken cattle, sheep and goats were purchased. Animals fit for food were turned over to the Federal Surplus Relief Corporation for processing and relief distribution. As a result of this program, more than 7-1/2 million pounds of meat were distributed for relief use throughout the country. Farmers were able to obtain income from drought-distressed livestock at a time when in many cases prices were too low to pay transportation and marketing charges.

The drought also resulted in a serious shortage of food supplies and



grains needed for seed. In the drought relief program a total of 12,615 tons of feed were purchased for relief distribution in drought states. A total of more than 19 million bushels of seed were purchased and made available for planting the following year.

Seed and feed loans were made available to farmers who were victims of the drought. Those who were destitute were able to obtain emergency loans to finance production and grants of money on an actual subsistence basis.

In the drought of 1936 the same forms of assistance were made available, except for livestock purchases. Surplus livestock had been largely removed in the 1934 livestock purchase program. Grants made largely in the drought area by the Resettlement Administration, which preceded the Farm Security Administration, totaled about \$15 million for the 1935-36 fiscal year and about \$35 million for the 1936-37 fiscal year.

Subsistence grants to hurricane and flood victims were made in the New England States and to flood victims in Southern States.

#### Timber Salvage

The hurricane of September 1938 blew down approximately 1-1/2 billion board feet of salvagable timber and created serious fire hazard throughout the New England area. The Northeastern Timber Salvage Administration supervised by the Forest Service has been conducting a program of purchase, storage, and marketing of the salvaged timber, preventing both waste of resources and demoralization of prices. Salvage operations provided employment for an estimated 6,500 persons.

An army of workers, including men supplied by WPA and the CCC under the supervision of the Forest Service and the States carried out extensive fire hazard reduction work on private land. More than 9,000 miles of forest roads and trails were opened up, and this work, together with the clearing of fire lanes is making it possible to isolate and control fires that may get started.

IMPROVED LAND USE FOR A MORE PERMANENT AND BETTER  
ADAPTED AGRICULTURE

Since 1932, approximately 8-1/2 million acres of sub-marginal land, unsuited to continued cultivation have been purchased and developed for uses for which this land is better suited, principally forestry and grazing.

In dry-land areas this land is being used to help farmers shift more to livestock production and away from the uncertainties of one-crop farming. The land which has been purchased is being turned back to grass and made available to nearby farmers who need more land for this type of farming. The Agricultural Adjustment Program is helping farmers to make the necessary shift from an intensive type of farming. In other areas, submarginal land is being used largely for reforestation.

An important part of the efforts in the Western States to insure a more permanent type of agriculture is the program for the development of small water facilities to supply needs for livestock and in some cases to make it possible for a farmer or rancher to irrigate a small part of his land. Loans are made available where necessary to enable farmers to develop these facilities.

Through the programs of the Soil Conservation Service and the Agricultural Adjustment Administration, nearly 30,000 ponds and reservoirs have been constructed in the Western States to control flood water and to store water for livestock.

Payments under the range program of the AAA are helping to meet the cost of practices that restore and improve grazing.

In both the North and the South Plains areas Federal agricultural programs are being integrated so as to apply as one program on the land and offer greater assistance to farmers in making the shift to a more permanent type of agriculture.

Assistance in flood control through the Farm Program in other portions of the country consists of treatment of upstream areas of watersheds to help regulate the flow of water and reduce the amount of soil carried by rivers.

In all areas and particularly where a change in the type of farming is necessary for a permanent agriculture and greater security for people on the land, efforts of farmers in planning committees are helping to apply assistance available through government most effectively in solving the local problems.

#### PROGRESS TOWARD STABILITY AND BETTER BALANCE FOR AGRICULTURE AND THE NATIONAL WELFARE

The Ever-Normal Granary reserves which make the surpluses of good years available in years of crop failure are made possible by commodity storage loans and crop insurance for wheat.

Approximately 64,000 wheat producers obtained loans on their 1939 crop. Forty-six million dollars was loaned on 84 million bushels of wheat. Premiums totaling 10,741,000 bushels of wheat had been paid in up to October 19, 1939, by 296,505 producers for insurance on the wheat crop to be harvested in 1940.

Farmers have established an Ever-Normal Granary for corn amounting to more than 20 percent of a normal year's crop. Of the approximately 250 million bushels of 1937 and 1938 corn remaining in the Ever-Normal Granary, 165 million bushels are still held by farmers and 85 million bushels have been stored by the Commodity Credit Corporation in steel bins and warehouses. Reports received through April 3 indicate that about 300,000 farmers have stored 273 million bushels of the 1939 corn crop under loans totaling 155 million dollars.



In addition to protecting both consumers and producers against the calamity of crop failure, the commodity loans have put a floor under farm prices and protected the purchasing power of farmers in the markets for city goods and services.

#### Farm Income Protection

Stabilizing and improving farm prices and farm income are essential in maintaining the exchange of goods between city and farm and in improving national income. The buying power of farm families is necessarily limited to the exchange value of their products. Parity payments made to producers cooperating in the Farm Program have helped to bridge the gap between market price and fair exchange value and have helped to maintain the ability of farm families to purchase the city goods and services.

Export programs for wheat and cotton have helped to protect the interests of United States farmers in the world market. These programs have been necessary to offset the disadvantages resulting from export subsidies of other nations and increasing control and management of trade by foreign nations.

Under the wheat export subsidy program about 120 million bushels of wheat were shipped abroad in the 1938-39 marketing year. This amounted to a little more than the 20 percent of the world wheat market normally supplied by United States producers during the 1920's.

The cotton export subsidy program was started in July, 1939. During the first 7-1/2 months of this program, more than 6 million bales of cotton were sold for export, compared with only about 3-1/2 million bales for the previous marketing year.

#### Agricultural Credit Services

One of the essential elements of a broad farm program necessary to

stability and security in agriculture is adequate credit at reasonable rates. Sound credit at reasonable rates is important also to the net income of farmers by helping to reduce excessive costs of farm operation.

From May 1, 1933, through December 31, 1939, individual farmers and their cooperative organizations obtained \$5,951,000,000 in loans and discounts from institutions under supervision of the Farm Credit Administration of the Department of Agriculture.

The largest amount was in mortgage loans of the 12 Federal Land Banks and the Land Bank Commissioner. The total amount of these loans outstanding on December 31, 1939 was \$1,905,000,000.

Local production credit associations, numbering 528, in 6 years made 1,312,000 loans aggregating \$1,442,000,000.

During the 6-year period the 12 District banks for cooperatives and the central bank made 6,868 loans totaling \$491,047,000 to farmers' cooperative marketing, purchasing, and service organizations.

#### Rural Electrification

To the close of 1939, the Rural Electrification Administration of the Department of Agriculture has made total allotments of \$273,000,000 for the construction of 260,000 miles of line to serve 600,000 farm families. Already 400,000 farms have been connected to REA-sponsored lines, the greater majority of which are cooperatively managed. The number of electrified farms in the United States has more than doubled from 1935 to the present time. Approximately 25 percent of American farms were electrified by January 1, 1940, compared with 10.9 percent on January 1, 1935.

#### Marketing and Surplus Removal

Incomes of producers of fruits, vegetables, and dairy products are protected and improved by 45 marketing agreement programs in effect for



these commodities. These programs directly affect more than 1,300,000 producers. The farm value of crops and of fluid milk handled under marketing agreement programs approximated 300 million dollars in 1939.

Expanded domestic distribution and consumption of surplus farm products has been brought about through two types of programs: direct purchase of commodities for distribution to needy families through State welfare agencies, and the Food Order Stamp Plan which puts increased food buying power directly into the hands of low-income families. Food order stamps which can be exchanged in regular food stores for any kind of food are purchased by low-income families. They receive an additional 50 percent of the value of their purchase in the form of stamps which can be exchanged for surplus foods.

Direct purchase programs for the calendar year ending December 31, 1939 removed a total of 1,700,000,000 pounds of surplus products from congested markets for distribution to needy families through State relief agencies. A total of more than 6 billion pounds of farm surpluses have been purchased during the 6 years of these programs.

During the 1938-39 school year donation of surplus commodities made possible free school lunches for more than 800,000 undernourished children. Efforts to expand this program during the 1939-40 school year resulted in 1,259,000 undernourished children receiving free school lunches daily during December, 1939.

#### SPEEDING UP THE WAR ON INSECT PESTS AND DISEASES

Under general legislation enacted in 1937, efforts by the Department in cooperation with State and local agencies to protect crops from grasshoppers are estimated to have saved crops valued at more than 100 million dollars each year.



During the last 3 seasons crops on more than a million acres annually have been protected from Mormon crickets through cooperative efforts.

Expansion of operations for control of black stem rust of small grains, blister rust of white pines, and peach virus diseases, has given worthwhile employment to many thousand men certified through relief agencies and has brought these diseases under control in large, important areas.

Appearance of the pink bollworm of cotton in some of the Gulf States in 1933 has added another responsibility in the fight against insect diseases.

In 1934 infestations of the screwworm, a serious pest of livestock, had spread into new areas in the southeastern States, causing the death of thousands of animals. Through the use of special funds, an educational and control program has reduced losses to a minimum.

Eradication of cattle ticks in southern States, begun in 1906 in cooperation with 15 States, is now so nearly completed that only one percent of the original area remains under quarantine. In 1934 about 11 percent of the original area was under quarantine. Additional funds were made available that year through the Civil Works Administration for the construction and repair of more than 4,000 dipping vats. Control work is nearing completion.

Bovine tuberculosis eradication, begun in 1917, was progressing at the rate of about a million tests a month when, in 1934, additional funds were made available. Since then the number of accredited counties has increased from 53 percent to 99.8 percent.

Testing of cattle for control of Bang's disease was started in 1934 with funds provided by the Jones-Connolly Act and the LaFollette Amendment. In the 66 months since the work began, 209 counties in 17 States have reduced the degree of infection to a point equivalent to practical eradication.

The National Poultry Improvement Plan, started in 1934 to increase

poultry production efficiency by disease control and improved breeding, now has active participation through 42,591 breeding flocks and 2,033 hatcheries in 44 States.

#### SCIENTIFIC RESEARCH AND EDUCATION INCREASED

In addition to any expansion in domestic and foreign markets that may be possible, farmers will need the additional market outlets that can be developed through industrial uses for farm products. They will need industrial outlets, not only to provide broader markets, but to offset the effects of research in developing products that displace farm products.

The Department of Agriculture has long been a leader in this field and has now started a greatly increased program of research to develop new industrial uses for farm products. The expansion of this work was authorized under the Agricultural Adjustment Act of 1938 which provided for 4 regional research laboratories.

Expansion of research on efficiency in production and marketing and expansion of the educational work of the Extension Service also has been made possible by Congressional authorization as a part of the broad program for the improvement of agricultural conditions. Increased production efficiency lowers costs and increases net returns.

A few outstanding examples illustrate the value of this work. When brown blight threatened half the lettuce crop, a Department scientist produced a hybrid that withstood the blight. A new variety of tomato withstood the diseases that threatened the tomato shipping industry of Florida. From the jungles of Java, a Department scientist brought a sugar cane which had the ruggedness to withstand mosaic disease. It saved an industry worth 15 million dollars annually to farmers. Development of a vaccine for sleeping sickness of horses has meant savings to horse owners of 2 to 3 million dollars annually.

#### MARKETING REGULATION BENEFITS CONSUMERS AND PRODUCERS

Both producers and consumers benefit from the administration of the commodities Exchange Act, supervising futures trading in the important agricultural commodities to prevent market manipulation and insure fair practice.

Administration of the Packers and Stockyards Act prevents unreasonable charges that would affect both the price paid and the producer and the price charged the consumer.

The Federal Seed Act prohibits misrepresentation of field and garden seeds.

#### PLANNING IN A DEMOCRACY

One of the most important gauges of the success of the National Farm Program will be its long-time effect in bringing about a permanent well-balanced agriculture. The provisions of the Farm Program are being directed toward the permanent benefit of agriculture through county and community agricultural planning by the people living on the land and with the assistance of agricultural specialists. They are planning through democratic processes for a permanent agriculture, with local, State, and Federal aids all applied toward the same objectives in harmony with natural and social conditions area by area.



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